

PROCLAMATION

BY THE

Governor of the State of Texas

41-1821

TO ALL TO WHOM THESE PRESENTS SHALL COME:

June 18, 1981

Pursuant to Article IV, Section 14 of the Constitution of Texas, I herewith veto Senate Bill 555 for the following reasons:

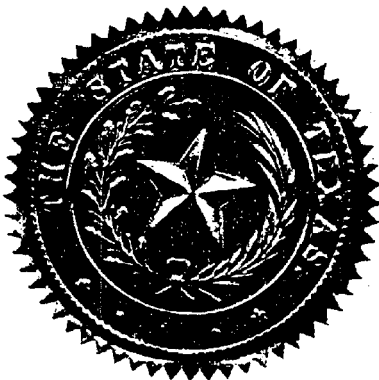
This bill proposes to raise the permissible rate of interest on judgements from the present 9% to a rate to be determined from the discount rate on 90-day commercial paper, plus surcharge. This makes the proposed interest rate tied to a variable and constantly changing gauge, which makes the compilation of the applicable interest rate quite complicated.

Secondly, since the bill states no maximum, no one can predict how high the interest rates may go. In a recent Attorney General's Opinion (MW-319) the Attorney General held the legislature must fix an absolute maximum interest rate or it violates Article 16, Section 11 of the Texas Constitution. This bill permits computation of interest rates from economic indicators in a relative sense and therefore does not comply with the Constitution.

Because there is no maximum rate of interest rate set in this legislation, I therefore veto Senate Bill 555.

Respectfully,


William P. Clements, Jr.
Governor



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Secretary of State

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Statutory Documents Div.